

DEPARTMENT OF ENVIRONMENTAL QUALITY
INTRA-AGENCY MEMORANDUM

TO : Karen J. Sismour, Regional Permit Manager, TRO

FROM : *John M.* John M. Daniel, Jr., PE, DEE, Director, Division of Air Program Coordination

SUBJECT : Incidental CO Emission Increases from Utility NOx Control Efforts

DATE : July 19, 1999

The decision to permit incidental emission increases of carbon monoxide resulting from required NOx control efforts at electric utility power plants should be left to the owner. No compliance or enforcement efforts should be directed against any facility choosing not to seek a permit for such increases.

Our permit rule (9 VAC 5-80-1100) addresses such issues by excluding the addition of pollution control systems from the definition of "modification". While this does not strictly apply to major modifications under the PSD or nonattainment provisions, such increases are exempted under federal regulations in the form of the "WEPCO Rule" (57 FR 32314). Further, EPA issued a guidance document July 1, 1994, (John S. Seitz, Director EPA OAQPS, memo titled "Pollution Control Projects and New Source Review (NSR) Applicability"; see electronic file located at K:\AGENCY\EPABULL\AIR\GUIDANCE\PCPGUIDE.WP5) which extended the concept of the pollution control project exclusion to non-utility facilities. Our lack of adoption of the WEPCO rule is simply a matter of timing. We had intended to incorporate it at the same time we adopted changes to major source permit rules following EPA's adopting its new source review reform package. Unfortunately, that reform effort stalled. In hindsight, we probably should have adopted our version of the WEPCO rule separately.

While the July 1, 1994, EPA document does say it is for non-utility facilities only, it also mentions that for years prior EPA had exempted pollution control projects from major source permit requirements on a case by case basis. In that vein, I consider all changes made at Virginia utility plants solely to comply with tighter NOx emission limits imposed by us to qualify for exclusion from both minor and major modification permit requirements as far as increases in carbon monoxide emissions are concerned. The trade-off of modest amounts of CO for substantial amounts of NOx is clearly beneficial from an environmental standpoint.

However, should a utility feel uncomfortable with this determination and insist on obtaining a PSD permit for the CO increase, I would reluctantly say to go ahead and process the application.

cc: Regional Directors
Director, Office of Enforcement Coordination
Director, Office of Air Regulatory Development
Director, Office of Air Permit Programs